

FISCAL NOTE
HB 2154 - SB 2117

January 26, 2004

SUMMARY OF BILL: Removes from current law the requirement, for students applying for lottery scholarships, that the applicant graduate from high school prior to July 1, 2005, and enroll in college prior to January 1, 2006.

Current law sunsets the lottery scholarship program. Current law limits lottery scholarships to those who graduated after January 1, 2003, but before July 1, 2005, who enroll in an eligible college or university or technology center by January 1, 2006. This bill will lift this provision.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Removal of the provision (from current law) which sunsets the lottery scholarship program, is estimated to allow the program to continue to utilize lottery proceeds and to grow as projected in House Bill 787 (Lottery Education Act) which became Chapter 298 of the Public Acts of 2003.

Estimates of the projected growth of the lottery scholarship program as contained in the fiscal note for Chapter 298 are shown below:

Earmarked From Lottery Proceeds for Scholarships and Grants

	<u>Total Awards</u>	<u>Cost</u>
FY2004-05	63,245 - 67,157	\$171,255,000 - \$181,848,000
FY2005-06	75,524 - 80,196	\$211,762,000 - \$224,861,000
FY2006-07	87,112 - 92,500	\$250,582,000 - \$266,082,000
FY2007-08	93,546 - 99,332	\$270,504,000 - \$287,236,000

If the sunset provision in the current law is not removed at some point and the lottery scholarship program is allowed to sunset, there will be a substantial decrease in lottery proceeds expended for lottery scholarships since only those high school students who graduate before July 1, 2005 would continue to receive the scholarships.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



